GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2187
ANSWERED ON:28.07.2017
Privatisation of PSUs
Biju Shri Parayamparanbil Kuttappan

Will the Minister of FINANCE be pleased to state:

(a) the details of the reasons for profit making Public Sector Undertakings (PSUs) being privatized in the country;

(b) whether it is the policy of the Government to do away with profits of these industries contribute annually to Government, reduce security of workers and pass on the benefits to private sector and if so, the details thereof;

(c) whether the profit making PSUs become loss making due to the Government"s policy of increasing import duties on raw materials and decreasing those on finished products and then privatise them;

(d) if so, whether the motto of "Make in India" really means to promote privatization in the country; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(Shri Arjun Ram Meghwal)

(a)&(b) NITI Aayog has been mandated to identify the CPSEs for strategic disinvestment. NITI Aayog in its report has stated that it has been guided by the basic economic principle that the Government should have no business to continue to engage itself in manufacturing/producing goods and services in sectors where the competitive markets have come of age, and such entities would most likely perform better in the private hands due to various factors e.g. technology up-gradation and efficient management practices; and would thus add to the GDP of the country. The unlocking of real value through better/efficient management and use of latest technology by the private sector may bring much higher dividends for the economy as a whole in terms of GDP growth.

(c) to (e) In view of (a) & (b) above, Question does not arise.

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